



County of San Diego  
California

Comprehensive Annual  
Financial Report

*For The Fiscal Year  
Ended June 30, 1998*

Board of Supervisors

Greg Cox  
First District  
Dianne Jacob  
Second District  
Pam Slater  
Third District  
Ron Roberts  
Fourth District  
Bill Horn  
Fifth District

Compiled under the direction of  
William J. Kelly, *Chief Financial Officer/Auditor and Controller (Acting)*

# Deloitte & Touche



Deloitte & Touche LLP  
Suite 1900  
701 "B" Street  
San Diego, California 92101-8198

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## INDEPENDENT AUDITORS' REPORT

The Honorable Board of Supervisors of the  
County of San Diego:

We have audited the accompanying general purpose financial statements of the County of San Diego as of June 30, 1998 and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the County of San Diego. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the pension trust fund (included in Trust and Agency), which statements reflect total assets constituting 67% of the Trust and Agency Fund Type at June 30, 1998. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trust and Agency Fund Type, is based solely on the report of such other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinion.

In our opinion, based upon our audit and the report of other auditors, such general purpose financial statements present fairly, in all material respects, the financial position of the County of San Diego at June 30, 1998, and the results of its operations and the cash flows of its proprietary fund types, and the change in net assets of its pension trust fund and investment trust fund, for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 4.H. to the general purpose financial statements, in fiscal year 1998, the County of San Diego changed its method of accounting for its investment pool to conform with Statement of Governmental Accounting Standards No. 31 and restated the 1997 Totals (memorandum only) comparative financial information.

As discussed in Note 3 to the financial statements, the fair values of certain investments with an amount of \$526,246,115 have been estimated by management in the absence of readily ascertainable market values. We have reviewed the procedures used by management in arriving at the estimated values of such investments and have inspected underlying documentation, and, in the circumstances, believe the procedures are reasonable and the documentation appropriate. However, determination of the value of

Deloitte Touche  
Tohmatsu

these investments involves subjective judgment because the actual market values can be determined only by negotiation between the parties in sales transactions. The estimated value of the investments may differ from the values that would have been used had a ready market existed for the investments, and the differences could be material.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents, which are also the responsibility of the management of the County of San Diego, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County of San Diego. These financial statements and schedules are also the responsibility of the management of the County of San Diego. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County of San Diego. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

*Deloitte & Touche LLP*

October 9, 1998

ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
Year Ended June 30, 1998  
With Comparative Figures for June 30, 1997  
(In Thousands)

STATEMENT 6A

	AIRPORT	WASTE	TRANS	WASTE
<b>Operating Revenues:</b>				
Fares and Rents	4,260	4,400	8,509	15,768
<b>Operating Expenses:</b>				
Salaries	1,282	2,851		2,363
Repairs and Maintenance	179	116	332	1,156
Equipment Rental	142	400		405
Sewage Processing				
Contracted Services	1,682	798	8,449	10,835
Depreciation	734	10	598	585
Utilities	120			81
Other	666	411	241	1,759
<b>Total Operating Expenses</b>	<b>4,805</b>	<b>4,586</b>	<b>9,620</b>	<b>17,124</b>
<b>Operating Income (Loss)</b>	<b>(544)</b>	<b>(156)</b>	<b>(711)</b>	<b>(1,921)</b>
<b>Nonoperating Revenues:</b>				
Interest	360	36	188	872
Taxes				
Grants	650			485
Gain on Disposal of Equipment				112,576
Other				90,635
<b>Total Nonoperating Revenues</b>	<b>1,010</b>	<b>36</b>	<b>188</b>	<b>214,468</b>
<b>Nonoperating Expenses:</b>				
Interest on Long-Term Debt				
Loss on Disposal of Equipment	65	227		
Equity Conveyed to Other Entities				
Other				25,438
<b>Total Nonoperating Expenses</b>	<b>65</b>	<b>227</b>		<b>25,438</b>
<b>Nonoperating Income (Loss)</b>	<b>945</b>	<b>(191)</b>	<b>188</b>	<b>179,130</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>401</b>	<b>(347)</b>	<b>(523)</b>	<b>177,209</b>
<b>Operating Transfers In</b>				
<b>Operating Transfers (Out)</b>	<b>(67)</b>	<b>(160)</b>		<b>(4,961)</b>
<b>Net Income (Loss)</b>	<b>334</b>	<b>(507)</b>	<b>(523)</b>	<b>172,248</b>
<b>Depreciation on Grant Funded Fixed Assets</b>			<b>598</b>	
<b>Increase (Decrease) in Retained Earnings</b>	<b>334</b>	<b>(507)</b>	<b>75</b>	<b>172,248</b>
<b>Retained Earnings - Beginning Balance</b>	<b>12,122</b>	<b>608</b>	<b>(158)</b>	<b>(14,245)</b>
<b>Residual Equity Transfers (Out)</b>	<b>(47)</b>			<b>(158,003)</b>
<b>Retained Earnings - Ending Balance (Statement 6)</b>	<b>\$ 12,409</b>	<b>\$ 101</b>	<b>(83)</b>	

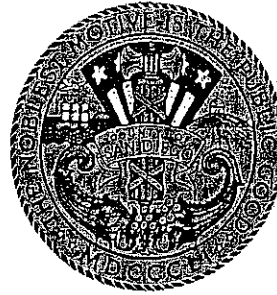
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## FINANCIAL REPORT OF SAN DIEGO COUNTY

**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 1998**  
**With Comparative Figures for June 30, 1997**  
**(In Thousands)**

STATEMENT 6B

	1998	1997	1996	1995
<b>Cash Flows from Operating Activities:</b>				
Operating Income (Loss)	\$ (544)	(156)	(711)	(1,921)
Adjustments to Reconcile Operating Income (Loss) to				
Net Cash Provided by Operating Activities:				
Depreciation	733	10	598	585
Decrease (Increase) in Accounts & Notes Receivable, Net	68	3	(110)	2,270
Decrease (Increase) in Prepaid Expense			(33)	
Decrease (Increase) in Due from Other Funds	120	273	(243)	25,484
Decrease (Increase) in Inventory of Material & Supplies	(13)	29		8
Increase (Decrease) in Accounts Payable	(4)	35	46	(2,645)
Increase (Decrease) in Accrued Payroll	5	(6)		(138)
Increase (Decrease) in Due to Other Funds	23	(2)	(211)	(1,169)
Increase (Decrease) in Due to Other Governments			317	(2,577)
Increase (Decrease) in Long-Term Debt Payable	3	(6)		(89,916)
Increase (Decrease) in Deferred Revenue	124			(1,969)
Other Revenues				90,635
Other Expenses				(25,438)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>515</b>	<b>180</b>	<b>1,370</b>	<b>(6,449)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Loan Repayment from Other Agency				
Grants				
Subsidies Received from Other Funds	650		473	485
Loan from Other Funds	(100)			
Transfers from (to) Other Funds	(67)	(160)		(4,961)
Equity Conveyed to other Entities				
Residual Equity Transfers (Out)	(47)			
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>436</b>	<b>(160)</b>	<b>473</b>	<b>(162,949)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of Fixed Assets	(358)	(54)		(800)
Proceeds from Sale of Equipment				163,237
Grants				
Principal Paid on Long-Term Debt				
Interest Paid on Long-Term Debt				
Deposit with Others				
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(358)</b>	<b>(54)</b>		<b>(800)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest	526	89	187	1,317
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>939</b>	<b>5</b>	<b>308</b>	<b>(5,616)</b>
<b>Cash and Cash Equivalents—Beginning of Year</b>	<b>5,382</b>	<b>561</b>	<b>3,180</b>	<b>5,616</b>
<b>End of Year</b>	<b>6,321</b>	<b>566</b>	<b>3,488</b>	
<b>Noncash Investing, Capital Financing Activities:</b>				
Acquisition of fixed assets from donations	\$			
in fixed assets from (to) Gen Fixed Assets/Other funds			(45)	7
<b>Noncash Investing, Capital Financing Activities</b>			<b>(45)</b>	<b>7</b>



County of San Diego  
California

Comprehensive Annual  
Financial Report

For the Fiscal Year  
Ended June 30, 1999

**Board of Supervisors**

**Greg Cox**  
First District

**Dianne Jacob**  
Second District

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Third District

**Ron Roberts**  
Fourth District

**Bill Horn**  
Fifth District

Compiled under the direction of  
**William J. Kelly**  
Chief Financial Officer/Auditor and Controller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of San Diego,  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Douglas R. Ellsworth*  
President

*Jeffrey L. Esser*  
Executive Director



750 B Street  
San Diego, CA 92101

## Independent Auditors' Report

The Honorable Board of Supervisors of the  
County of San Diego:

We have audited the accompanying general purpose financial statements of the County of San Diego, California (the County) as of and for the year ended June 30, 1999, listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the management of the County. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of San Diego, California at June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types, and the changes in net assets of its pension trust fund and investment trust fund, for the year then ended in conformity with generally accepted accounting principles.

During 1999, the County of San Diego, California, adopted the provisions of Governmental Accounting Standards Board Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 1999 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



The Year 2000 supplementary information in Schedule 4 is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that the County is or will become Year 2000 compliant, that the County's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the County does business are or will become Year 2000 compliant.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the accompanying table of contents, which are also the responsibility of the management of the County, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

KPMG LLP

October 8, 1999



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# Financial Report of San Diego County

## ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS Year Ended June 30, 1999 With Comparative Figures for June 30, 1998 (In Thousands)

### STATEMENT 6A

	AIRPORT	LIQUID WASTE	TRANSIT
<b>Operating Revenues:</b>			
Charges for Services	\$ 4,500	3,792	10,793
<b>Operating Expenses:</b>			
Salaries	1,346	2,214	
Repairs and Maintenance	227	107	584
Equipment Rental	184	360	
Sewage Processing			
Contracted Services	1,798	725	10,165
Depreciation	762	13	422
Utilities	110		
Other	1,419	377	237
<b>Total Operating Expenses</b>	<b>5,846</b>	<b>3,796</b>	<b>11,408</b>
Operating Income (Loss)	(1,346)	(4)	(615)
<b>Nonoperating Revenues:</b>			
Interest	376	129	251
Taxes			
Grants	1,006	43	
Gain on Disposal of Equipment			
Other			
<b>Total Nonoperating Revenues</b>	<b>1,382</b>	<b>172</b>	<b>251</b>
<b>Nonoperating Expenses:</b>			
Interest on Long-Term Debt			
Loss on Disposal of Equipment			
Equity Conveyed to Other Entities			
Other			
<b>Total Nonoperating Expenses</b>			
Nonoperating Income (Loss)	1,382	172	251
Income (Loss) Before Operating Transfers	36	168	(364)
Operating Transfers (Out)	(73)	(124)	
Net Income (Loss)	(37)	44	(364)
Depreciation on Grant Funded Fixed Assets			422
Increase (Decrease) in Retained Earnings	(37)	44	58
<b>Retained Earnings</b>			
Beginning Balance	12,409	101	(83)
Residual Equity Transfers (Out)			
<b>Retained Earnings - Ending Balance (Statement 6)</b>	<b>\$ 12,372</b>	<b>145</b>	<b>(25)</b>

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# Financial Report of San Diego County

## ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS Year Ended June 30, 1999 With Comparative Figures for June 30, 1998 (In Thousands)

### STATEMENT 6B

	AIRPORT	LIQUID WASTE	TRANSIT
<b>Cash Flows from Operating Activities:</b>			
Operating Income (Loss)	\$ (1,346)	(4)	(615)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	762	13	422
Decrease (Increase) in Accounts & Notes Receivable	2	(83)	(265)
Decrease (Increase) in Prepaid Expense			33
Decrease (Increase) in Due from Other Funds	(99)	270	314
Decrease (Increase) in Inventory of Material & Supplies			
Increase (Decrease) in Accounts Payable	345	(37)	943
Increase (Decrease) in Accrued Payroll	9	5	
Increase (Decrease) in Due to Other Funds	(43)	(12)	(14)
Increase (Decrease) in Due to Other Governments			(283)
Increase (Decrease) in Long-Term Debt Payable	6	(9)	
Increase (Decrease) in Deferred Revenue	234		
Other Revenues			
Other Expenses			
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(130)</b>	<b>146</b>	<b>935</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Loan Repayment from Other Agency			
Grants	1,006	43	470
Loans to Other Funds	(97)		
Transfers from (to) Other Funds	(73)	(124)	
Equity Conveyed to other Entities			
Residual Equity Transfers (Out)			
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>836</b>	<b>(81)</b>	<b>470</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition of Fixed Assets	(2,568)		(1,320)
Proceeds from Sale of Equipment			
Grants			1,320
Principal Paid on Long-Term Debt			
Interest Paid on Long-Term Debt			
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(2,568)</b>		
<b>Cash Flows from Investing Activities:</b>			
Interest	385	128	221
Net Increase (Decrease) in Cash and Cash Equivalents	(1,477)	190	1,226
Cash and Cash Equivalents-Beginning of Year	6,321	566	3,488
Cash and Cash Equivalents-End of Year	\$ 4,844	756	4,714
<b>Noncash Investing, Capital Financing Activities:</b>			
Acquisition of fixed assets	\$ 61		
Transfer fixed assets from(to) Gen Fixed Assets/Other funds			
Fixed Assets write-off			
Accrued Interest	57	6	62
<b>Total Noncash Investing, Capital Financing Activities</b>	<b>\$ 118</b>	<b>6</b>	<b>62</b>



County of San Diego  
California

# Comprehensive Annual Financial Report

For the Fiscal Year  
Ended June 30, 2000

Compiled under the direction of  
William J. Kelly  
Chief Financial Officer/Auditor and Controller

# Certificate of Achievement for Excellence in Financial Reporting

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For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

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*Cary Brueck*  
President  
*Jeffrey L. Esser*  
Executive Director



750 B Street  
San Diego, CA 92101

### Independent Auditors' Report

The Honorable Board of Supervisors of the  
County of San Diego:

We have audited the accompanying general purpose financial statements of the County of San Diego, California (the County) as of and for the year ended June 30, 2000, listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the management of the County. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of San Diego, California at June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types, and the changes in net assets of its pension trust fund and investment trust fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the accompanying table of contents, which are also the responsibility of the management of the County, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.



The introductory and statistical sections listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

KPMG LLP

November 17, 2000

**FINANCIAL REPORT OF SAN DIEGO COUNTY**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**Year Ended June 30, 2000**  
**With Comparative Figures for June 30, 1999**  
**(In Thousands)**

**STATEMENT 6A**

	AIRPORT	LIQUID WASTE	TRANSIT
<b>Operating Revenues:</b>			
Charges for Services	\$ 5,984	4,029	11,203
<b>Operating Expenses:</b>			
Salaries	1,513	2,275	
Repairs and Maintenance	310	107	410
Equipment Rental	185	370	
Sewage Processing			
Contracted Services	2,266	709	10,229
Depreciation	778	15	446
Utilities	92		
Other	625	250	711
Total Operating Expenses	5,769	3,726	11,796
Operating Income (Loss)	215	303	(593)
<b>Nonoperating Revenues:</b>			
Interest	309	170	164
Taxes			
Grants	722		
Other			
Total Nonoperating Revenues	1,031	170	164
<b>Nonoperating Expenses:</b>			
Interest on Long-Term Debt			
Loss on Disposal of Equipment	10	9	
Other			
Total Nonoperating Expenses	10	9	
Nonoperating Income (Loss)	1,021	161	164
Income (Loss) Before Operating Transfers	1,236	464	(429)
Operating Transfers (Out)	(78)	(125)	
Net Income (Loss)	1,158	339	(429)
Depreciation on Grant Funded Fixed Assets			446
Increase (Decrease) in Retained Earnings	1,158	339	17
<b>Retained Earnings</b>			
Beginning Balance	12,372	145	(25)
Retained Earnings - Ending Balance (Statement 6)	\$ 13,530	484	(8)

See Accompanying Independent Auditor's Report

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# FINANCIAL REPORT OF SAN DIEGO COUNTY

## ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS Year Ended June 30, 2000 With Comparative Figures for June 30, 1999 (In Thousands)

### STATEMENT 6B

	AIRPORT	LIQUID WASTE	TRANSIT
<b>Cash Flows from Operating Activities:</b>			
Operating Income (Loss)	\$ 215	303	(593)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	778	15	446
Decrease (Increase) in Accounts & Notes Receivable	45	50	100
Decrease (Increase) in Prepaid Expense			
Decrease (Increase) in Due from Other Funds	58	(366)	(439)
Decrease (Increase) in Inventory of Material & Supplies	(8)	(1)	
Increase (Decrease) in Accounts Payable	(286)	2	(730)
Increase (Decrease) in Accrued Payroll	15	5	
Increase (Decrease) in Due to Other Funds	89	(39)	1,684
Increase (Decrease) in Due to Other Governments			(1,323)
Increase (Decrease) in Long-Term Debt Payable	7	(7)	
Increase (Decrease) in Deferred Revenue	(358)		
Other Revenues			
Net Cash Provided (Used) by Operating Activities	555	(38)	(855)
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Loan Repayment from Other Agency			
Grants	223		(1,432)
Loans to Other Funds	(1,036)		
Transfers from (to) Other Funds	(78)	(125)	
Equity Conveyed to other Entities			
Net Cash Provided (Used) by Non-Capital Financing Activities	(891)	(125)	(1,432)
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition of Fixed Assets	(608)		(1,934)
Proceeds from Sale of Equipment	1	1	
Grants			1,934
Principal Paid on Long-Term Debt			
Interest Paid on Long-Term Debt			
Net Cash Provided (Used) by Capital and Related Financing Activities	(607)	1	
<b>Cash Flows from Investing Activities:</b>			
Interest	280	130	191
Net Increase (Decrease) in Cash and Cash Equivalents	(663)	(32)	(2,096)
Cash and Cash Equivalents-Beginning of Year	4,844	756	4,714
Cash and Cash Equivalents-End of Year	\$ 4,181	724	2,618
<b>Noncash Investing, Capital Financing Activities:</b>			
Acquisition of fixed assets	\$		
Transfer fixed assets from (to) Gen Fixed Assets/Other funds			
Fixed Assets write-off			
Accrued Interest	86	46	35
<b>Total Noncash Investing, Capital Financing Activities</b>	\$ 86	46	35

See Accompanying Independent Auditor's Report

(Cont)

County of San Diego  
California

Comprehensive Annual  
Financial Report

**Board of Supervisors**

**Greg Cox**  
**First District**

**Dianne Jacob**  
**Second District**

**Pam Slater**  
**Third District**

**Ron Roberts**  
**Fourth District**

**Bill Horn**  
**Fifth District**

**For the Fiscal Year**  
**Ended June 30, 2001**

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**MAR 11 2002**

**Gillespie Field**

**Chief Administrative Officer**  
**Walter F. Ekard**

Compiled under the direction of  
**William J. Kelly**  
**Chief Financial Officer/Auditor and Controller**



750 B Street  
San Diego, CA 92101

### Independent Auditors' Report

The Honorable Board of Supervisors of the  
County of San Diego:

We have audited the accompanying general purpose financial statements of the County San Diego, California (the County) as of and for the year ended June 30, 2001, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the management of the County. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of San Diego, California as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types, and the changes in net assets of its pension trust fund and investment trust fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 4(H), during 2001, the Board adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the accompanying table of contents, which are also the responsibility of the management of the County, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, when considered in relation to the general purpose financial statements taken as a whole.



KPMG LLP KPMG LLP, a US limited liability partnership  
a member of KPMG network, a Swiss association

The introductory and statistical sections listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the County. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and accordingly we express no opinion on it.

KPMG LLP

December 28, 2001

**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**  
**Year Ended June 30, 2001**  
**With Comparative Figures for June 30, 2000**  
**(In Thousands)**

**STATEMENT 6A**

	AIRPORT	LIQUID WASTE	TRANSIT
<b>Operating Revenues:</b>			
Charges for Services	\$ 5,424	3,772	11,843
<b>Operating Expenses:</b>			
Salaries	1,604	2,198	
Repairs and Maintenance	446	120	655
Equipment Rental	198	378	
Sewage Processing			
Contracted Services	2,505	792	10,613
Depreciation	745	16	586
Utilities	113		
Other	845	236	754
Total Operating Expenses	6,456	3,740	12,608
Operating Income (Loss)	(1,032)	32	(765)
<b>Nonoperating Revenues:</b>			
Interest	327	216	191
Taxes			
Grants	1,180		
Gain on Disposal of Equipment			6
Other			
Total Nonoperating Revenues	1,507	216	197
<b>Nonoperating Expenses:</b>			
Interest on Long-Term Debt			
Loss on Disposal of Equipment	32		
Other			
Total Nonoperating Expenses	32		
Nonoperating Income (Loss)	1,475	216	197
Income (Loss) Before Contributions and Transfers	443	248	(568)
Capital Contributions			(435)
Operating Transfers In	549	207	
Operating Transfers (Out)	(431)	(120)	
Net Income (Loss)	561	335	(1,003)
Depreciation on Grant Funded Fixed Assets			586
Increase (Decrease) in Retained Earnings	561	335	(417)
<b>Retained Earnings</b>			
Beginning Balance	19,431	484	(8)
<b>Retained Earnings - Ending</b>			
Balance (Statement 6)	\$ 19,992	819	(425)

(Cont)

**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2001**  
**With Comparative Figures for June 30, 2000**  
**(In Thousands)**

**STATEMENT 6B**

	AIRPORT	LIQUID WASTE	TRANSIT
<b>Cash Flows from Operating Activities:</b>			
Operating Income (Loss)	\$ (1,032)	32	(765)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by Operating Activities:			
Depreciation	745	16	586
Decrease (Increase) in Accounts & Notes Receivable	(33)	8	101
Decrease (Increase) in Prepaid Expense			
Decrease (Increase) in Due from Other Funds	(625)	306	439
Decrease (Increase) in Inventory of Material & Supplies			
Increase (Decrease) in Accounts Payable	(28)	(1)	146
Increase (Decrease) in Accrued Payroll		(3)	
Increase (Decrease) in Due to Other Funds	85	84	(1,626)
Increase (Decrease) in Due to Other Governments			1,318
Increase (Decrease) in Long-Term Debt Payable	(8)	(29)	
Increase (Decrease) in Deferred Revenue	14		
Other Revenues			
Net Cash Provided (Used) by Operating Activities	(882)	413	199
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Loan Repayment from Other Agency			
Grants	1,679		(188)
Loans to Other Funds			
Transfers from (to) Other Funds	463	87	
Net Cash Provided (Used) by Non-Capital Financing Activities	2,142	87	(188)
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition of Fixed Assets	(388)	(10)	(387)
Proceeds from Sale of Equipment			6
Grants			387
Principal Paid on Long-Term Debt			
Interest Paid on Long-Term Debt			
Transfers from (to) Other Funds	(345)		
Net Cash Provided (Used) by Capital and Related			
Financing Activities	(733)	(10)	6
<b>Cash Flows from Investing Activities:</b>			
Interest	344	214	188
Net Increase (Decrease) in Cash and Cash Equivalents	871	704	205
Cash and Cash Equivalents-Beginning of Year	4,181	724	2,618
Cash and Cash Equivalents-End of Year	\$ 5,052	1,428	2,823
<b>Noncash Investing, Capital Financing Activities:</b>			
Acquisition of fixed assets	\$ 87		
Fixed Assets write-off			
Accrued Interest	69	47	38
<b>Total Noncash Investing, Capital Financing Activities</b>	\$ 156	47	38

(Cont)



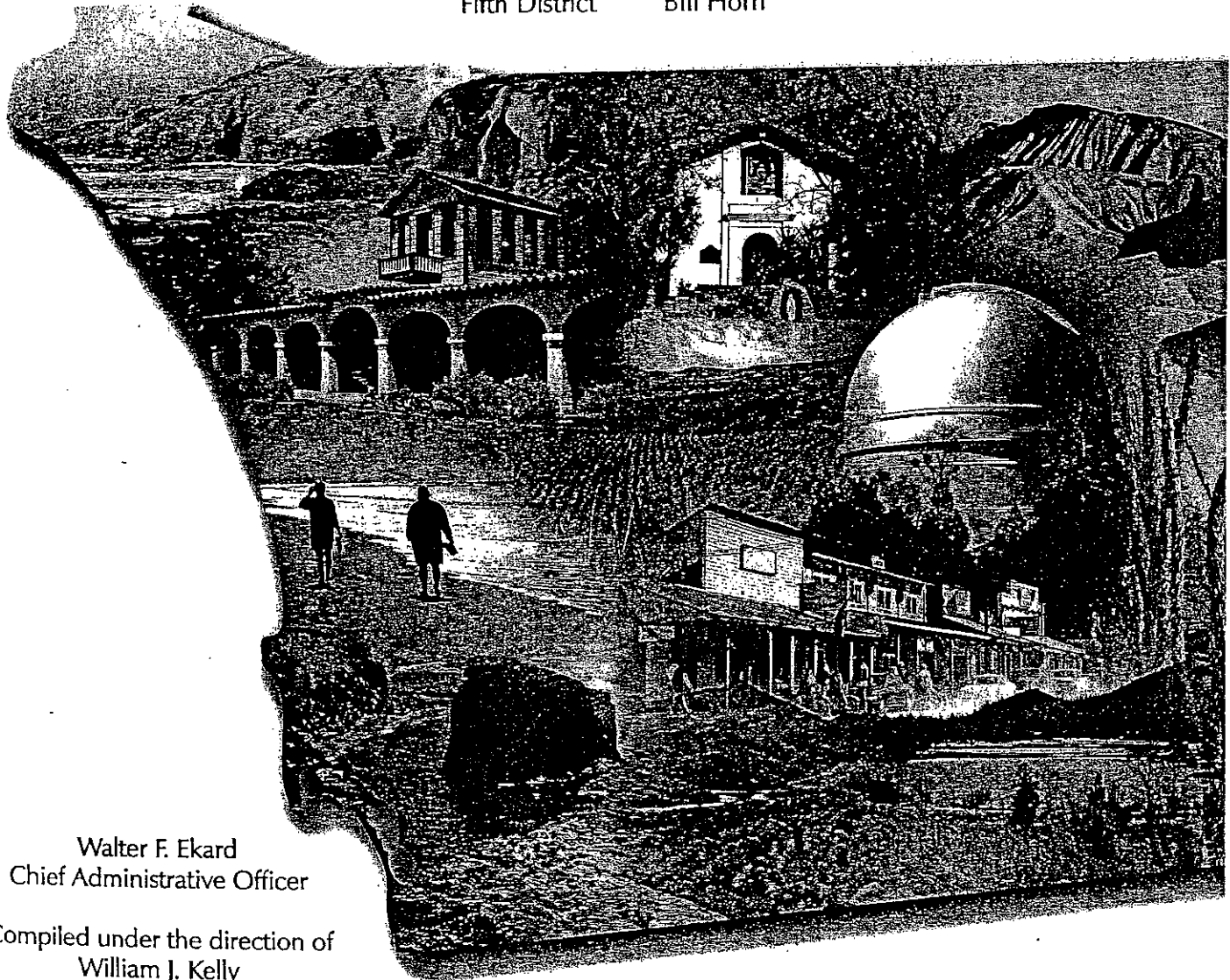
# *County of San Diego, California*

## Comprehensive Annual Financial Report

### For the Fiscal Year Ended June 30, 2002

#### Board of Supervisors

First District	Greg Cox
Second District	Dianne Jacob
Third District	Pam Slater
Fourth District	Ron Roberts
Fifth District	Bill Horn



Walter F. Ekard  
Chief Administrative Officer

Compiled under the direction of  
William J. Kelly  
Chief Financial Officer/  
Auditor and Controller



750 B Street  
San Diego, CA 92101

## Independent Auditors' Report

The Honorable Board of Supervisors  
of the County of San Diego:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of San Diego, California (the County) as of and for the year ended June 30, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of San Diego, California as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 1, the County has implemented a new financial reporting model, as required by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of July 1, 2001. The County also adopted the provisions of GASB Statements No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and No. 38, *Certain Financial Statement Note Disclosures*.

The accompanying management's discussion and analysis on pages 21 through 33, the budgetary comparison schedules on pages 86 through 89, and the schedule of funding progress on page 91 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of San Diego, California's basic financial statements. The introductory section, the combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information in the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

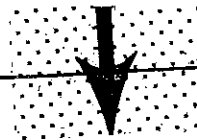
In accordance with *Government Auditing Standards*, we have also issued a report dated February 14, 2003 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

KPMG LLP

February 14, 2003

Financial Report of San Diego County

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
Year Ended June 30, 2002  
(In Thousands)



	Enterprise Funds		
	Airport	Liquid Waste	Transit
<b>OPERATING REVENUES</b>			
Charges for services	\$ 5,479	4,106	17,047
Miscellaneous	5,479	4,106	17,047
<b>Total operating revenue</b>			
<b>OPERATING EXPENSES</b>			
Salaries	1,909	2,378	376
Repairs and maintenance	236	108	
Equipment rental	153	267	
Sewage processing		748	14,761
Contracted services	2,773	30	1,059
Depreciation	2,118		1
Utilities	137		
Cost of material			
Claims and judgements			
Fuel	635	279	773
Other operating expenses	7,961	3,810	14,510
<b>Total operating expenses</b>			
<b>Operating income (loss)</b>	(2,482)	296	77
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest and dividends	173	135	94
Grants	5,763		
Interest expense			
Other nonoperating revenue			(4,494)
Interest on long-term debt	(241)		
Loss on disposal of equipment			(4,400)
Other	5,695	135	
<b>Total nonoperating revenues (expenses)</b>			
<b>Income (loss) before contributions and transfers</b>	3,213	431	(4,423)
Capital contributions	502	7	
Transfers in	(904)	(124)	
Transfers (out)	2,811	759	4,323
<b>Change in net assets</b>	35,913	1,514	4,323
<b>Total net assets--beginning</b>	38,724	2,273	
<b>Total net assets--ending</b>			

(Cont)

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**June 30, 2002**  
**(In Thousands)**

	Enterprise Funds		
	Airports	Waste	Transit
Cash flows from operating activities:			
Cash received from customers	\$ 4,439	3,836	15,179
Cash received from other funds			
Cash payments to suppliers	(1,844)	(244)	(12,280)
Cash payments to employees	(1,909)	(2,361)	
Cash payments to other funds	(1,744)	(1,206)	(1,462)
Net cash provided to operating activities	(1,058)	25	1,437
Cash flows from non-capital financing activities:			
Property taxes			
Transfers from (to) other funds	(402)	(117)	
Advances from (to) other funds			
Net cash used for non-capital financing activities	(402)	(117)	
Cash flows from capital and related financing activities:			
Loans from other funds	(90)		
Loan to other funds	15		
Grant revenue	1,167		
Acquisition of capital assets	(5,822)		(1,284)
Payment to suppliers	1,386		
Capital contributions			43
Proceeds from sale of equipment			
Principal paid on long-term debt			
Interest paid on long-term debt			
Net cash used for capital and related financing activities	(3,344)		(1,241)
Cash flows from investing activities:			
Interest	220	155	113
Net increase (decrease) in cash & cash equivalents	(4,584)	63	309
Cash and cash equivalents - beginning of year	5,052	1,428	2,823
Cash and cash equivalents - end of year	468	1,491	3,132
Reconciliation of operating income:			
Operating income (loss)	(2,482)	296	77
Adjustments to reconcile:			
Inc (dec) in compensated absences	(8)	7	
Inc (dec) in accrued payroll	9	12	
Inc (dec) in due to other funds	39	(56)	102
Inc (dec) in accounts payable	302	(1)	2,067
Inc (dec) in claims and judgements		26	(339)
Dec (inc) in accounts receivable	(1,204)	8	
Dec (inc) in inventory	3		(1,505)
Dec (inc) in deferred credits	167	(297)	(24)
Dec (inc) in due from other funds	(2)		
Dec (inc) in due from other funds-loans	2,118	30	1,059
Depreciation		25	1,497
Net cash provided by operating activities	(1,058)	25	1,437
Non-cash investing, capital financing activities:			
Accrued interest	48	20	19
Capital asset transfers			

(Cont)



# County of San Diego California

## Comprehensive Annual Financial Report

For the Fiscal Year  
Ended June 30, 2003

### Board of Supervisors

Greg Cox  
First District

Dianne Jacob  
Second District

Pam Slater  
Third District

Ron Roberts  
Fourth District

Bill Horn  
Fifth District

Chief Administrative Officer  
Walter F. Ekard

Compiled under the direction of  
William J. Kelly  
Chief Financial Officer/Auditor and Controller



750 B Street  
San Diego, CA 92101

## **Independent Auditors' Report**

The Honorable Board of Supervisors  
of the County of San Diego:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Diego, California (the County) as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Diego, California as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying management's discussion and analysis on pages 21 through 34, the budgetary comparison schedules on pages 88 through 93, and 116 through 132, and the schedule of funding progress on page 95 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of San Diego, California's basic financial statements. The introductory section, the combining nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information in the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

KPMG LLP

January 12, 2004

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
Year Ended June 30, 2003  
(In Thousands)**

	<b>Business-Type Activities Enterprise Funds</b>	
	<b>Airports</b>	<b>Wastewater Management</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 7,396	4,496
Miscellaneous		
<b>Total operating revenues</b>	<b>7,396</b>	<b>4,496</b>
<b>OPERATING EXPENSES</b>		
Salaries	2,020	2,659
Repairs and maintenance	455	110
Equipment rental	521	357
Sewage processing		
Contracted services	2,732	917
Depreciation	769	26
Utilities	166	8
Cost of material		
Claims and judgments		
Fuel		
Other operating expenses	469	192
<b>Total operating expenses</b>	<b>7,532</b>	<b>4,269</b>
<b>Operating income</b>	<b>264</b>	<b>227</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest and dividends	108	30
Grants	3,769	
Interest expense		
Other nonoperating revenue		
Gain (loss) on disposal of equipment	33	
<b>Total nonoperating revenues (expenses)</b>	<b>3,910</b>	<b>30</b>
<b>Income before contributions and transfers</b>	<b>4,174</b>	<b>257</b>
<b>Capital contributions</b>		<b>6</b>
<b>Transfers in</b>	<b>740</b>	
<b>Transfers (out)</b>	<b>(440)</b>	<b>(140)</b>
<b>Change in net assets</b>	<b>4,474</b>	<b>123</b>
<b>Total net assets - beginning</b>	<b>38,724</b>	<b>2,273</b>
<b>Total net assets - ending</b>	<b>43,198</b>	<b>2,396</b>

Financial Report of San Diego County

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2003  
(In Thousands)

	Business-Type Activities Enterprise Funds		
	Airports	Wastewater Management	Transit
Cash flows from operating activities:			
Cash received from customers	\$ 8,460	4,443	640
Other receipts	130		
Cash received from other funds	(2,562)	(353)	(3,625)
Cash payments to suppliers	(2,012)	(2,638)	
Cash payments to employees	(1,986)	(1,147)	(167)
Cash payments to other funds			
Net cash provided (used) by operating activities	2,030	705	(3,152)
Cash flows from non-capital financing activities:			
Property taxes	(445)	(140)	
Transfers from (to) other funds			
Advances from (to) other funds			
Net cash provided (used) by non-capital financing activities	(445)	(140)	
Cash flows from capital and related financing activities:			
Loans from other funds	414		
Loan to other funds	91		
Grant revenue	7,434		
Acquisition of capital assets	(5,382)		
Capital contributions			
Proceeds from sale of equipment			
Principal paid on long-term debt			
Interest paid on long-term debt			
Net cash provided (used) by capital and related financing activities	2,557		
Cash flows from investing activities:			
Interest	111	50	20
Net increase (decrease) in cash and cash equivalents	4,142	515	(3,132)
Cash and cash equivalents - beginning of year	468	1,490	3,132
Cash and cash equivalents - end of year	4,610	2,005	
Reconciliation of operating income:			
Operating income	264	227	
Adjustments to reconcile:			
Inc (dec) in compensated absences	18	4	
Inc (dec) in accrued payroll	(1)	18	
Inc (dec) in due to other funds	(124)	41	(167)
Inc (dec) in accounts payable	(159)	4	(3,625)
Inc (dec) in claims and judgments			
Dec (inc) in accounts receivable	1,064		615
Dec (inc) in inventory	69	38	
Dec (inc) in deferred credits		(53)	25
Dec (inc) in due from other funds	130		
Dec (inc) in other current assets			
Depreciation	769	26	
Net cash provided (used) by operating activities	2,030	705	(3,152)
Non-cash investing and capital financing activities:			
Accrued interest	\$ 3	20	